



ACT | GLOBAL APP ECONOMY CONFERENCE

UNITED STATES 2025



OVERVIEW

The Global App Economy Conference: United States (GAEC: U.S.) 2025 brought startups and small tech businesses together with policymakers at a defining moment for innovation in America. As AI regulation gains momentum, privacy legislation splinters across states, and scrutiny around mergers intensifies, the U.S. faces a critical choice: will digital policy support the next wave of innovation or stall it?

Held during National Small Business Week, this year's GAEC: U.S. made one thing clear: the voice of small tech must be central to the policymaking process. Over four days of briefings, peer-to-peer strategy, and more than 70 meetings with Congress, the White House, and key agencies, our members shared what it really takes to launch, scale, and compete in today's tech economy.



These weren't abstract debates; they were real-world policy conversations happening in the heart of Washington, D.C., just steps from where the laws are written. Our members laid out exactly how federal decisions impact their ability to grow, hire, and innovate. From building AI-powered healthcare tools to navigating outdated tax codes and fragmented state privacy laws, startups shared their expertise in running a business and how policy can help or hurt.

GAEC: U.S. QUICK STATS

More than 40 startups, representing industries across the app economy, came together to elevate the role of real-world innovators in shaping federal policy.



**FEDERAL
AGENCIES: 6**

U.S. CONGRESS: 62

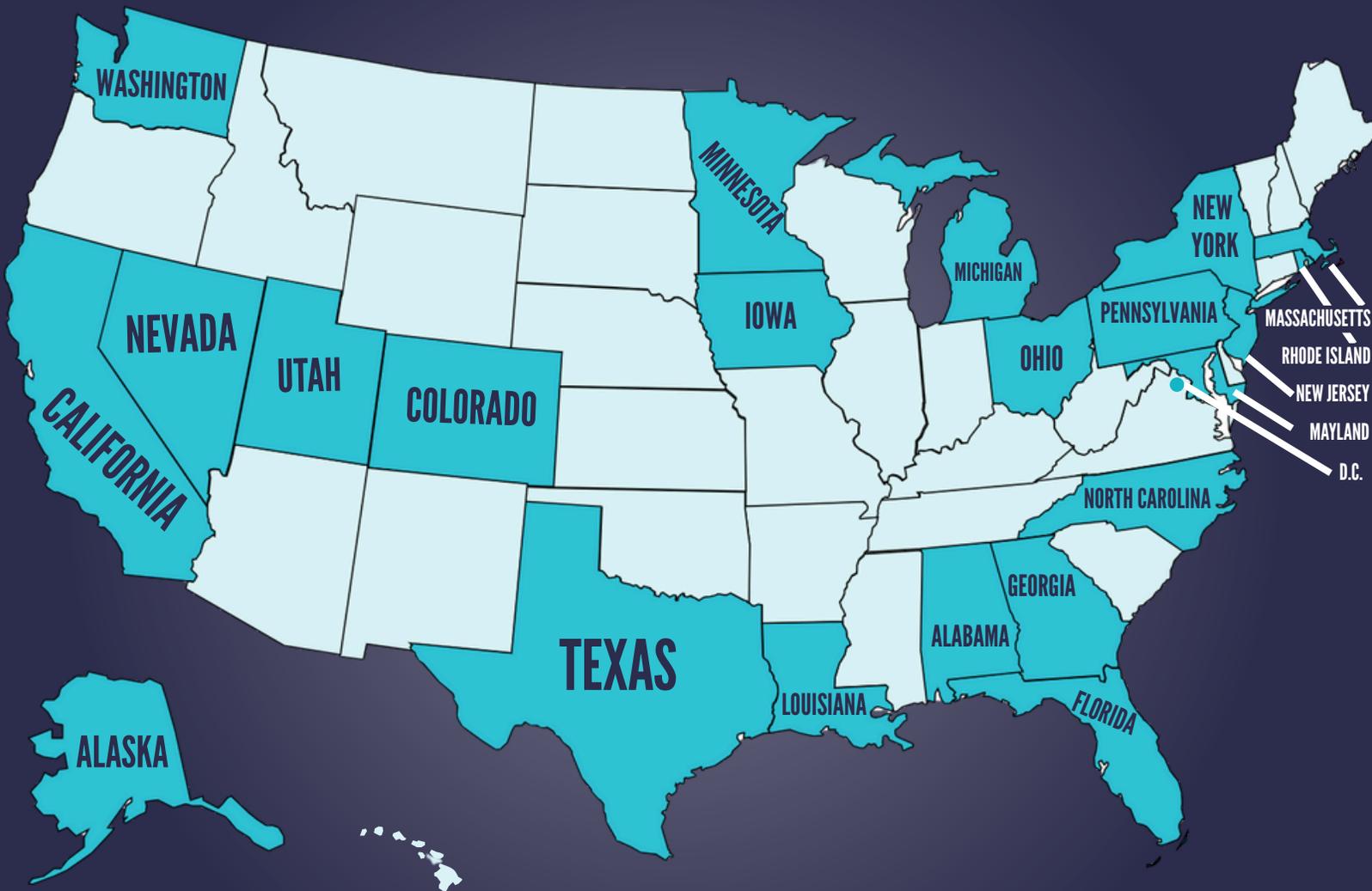
**WHITE HOUSE
& DOGE: 2**

We held 70 policymaker meetings, fostering direct dialogue between startups and U.S. decision-makers across the House and Senate, the White House, and key federal agencies.



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GAEC: U.S. saw attendees representing 22 states and D.C., showcasing how founders from every corner of the country are helping drive the future of U.S. tech policy.



Fun Fact: Nearly 10% of attendees hailed from Alabama, with five member companies making the trip from Birmingham!



Policymakers in the United States are ramping up scrutiny of curated online marketplaces (COMs) and proposals like the Open App Markets Act (OAMA) and the American Innovation and Choice Online Act (AICOA) remain credible threats to our ecosystem.

While framed as pro-competition, these efforts risk disrupting the tools small tech companies rely on by weakening security, raising costs, and creating new barriers to growth. At the same time, oppressive online marketplace regulation frameworks inspired by the EU's Digital Markets Act (DMA) are compounding challenges for U.S. startups trying to scale internationally.

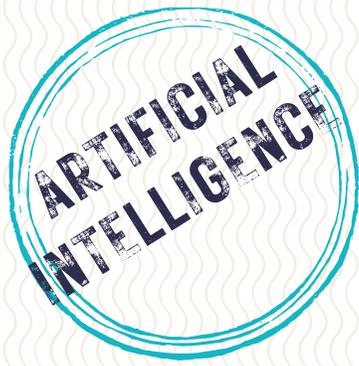
KEY POINTS

- App stores and other COMs are a vital distribution channel for small tech, and changes must not create new obstacles for startups.
- Mandates like forced sideloading, interoperability, and prohibitions on proactive security measures presumptively outlaw the marketplace management functions our members pay for and have come to expect as their frontline measures to protect against fraud, IP theft, and malware.
- The DMA serves as the blueprint for bills like AICOA and OAMA and is inspiring similar frameworks globally, creating digital trade barriers that threaten innovation. U.S. policymakers should resist adopting this model.



Parag Shah, Founder, Vēmos

"Building software and getting it into the hands of consumers and businesses has become much easier thanks to platforms. App developers can create products and distribute them at a lower cost than before, creating increased competition within certain business categories, translating into better quality solutions."



Small and mid-sized tech companies are leading the way in using artificial intelligence (AI) as a tool for good, designing models and systems to support everything from fraud detection and predictive maintenance to personalized healthcare and accessibility tools.

But while innovation surges, U.S. policymakers are threatening to slow it down. More than 900 AI-related bills have been introduced at the state level alone, threatening to create a patchwork of compliance burdens that stall innovation. Proposed federal frameworks and enforcement actions pose unclear dangers, and some early approaches risk overregulating emerging tools and drying up critical sources of investment and partnership. For startups building responsible AI solutions, the path forward must be clear, sector-specific, and innovation-friendly.

KEY POINTS

- Congress should evaluate how existing laws apply to AI and legislate only if clear gaps remain.
- Avoid blanket premarket audits and overly broad liability schemes that disproportionately burden small businesses.
- Any AI legislation must protect access to foundational technologies, capital, and partnerships, particularly with major cloud providers and investors.

“With the growing focus on AI safety, security, and transparency, we absolutely need guidance and guardrails, but not prescriptive overregulation. Even we, as technologists, don’t yet know all the ways we’ll use AI. That’s why thoughtful guidance is essential, but rigid rules could hold us back.”



Sebastian Holst, Principal,
Fool Me Once



Small tech companies handle massive volumes of sensitive data every day, from healthcare records to financial information, making them essential stewards of digital trust. But without a comprehensive federal privacy law, U.S. businesses are left navigating a maze of conflicting state and international rules. This patchwork increases compliance costs, creates uncertainty, and advantages larger firms with in-house legal teams. At the same time, new federal and state proposals around online safety and children's privacy risk sweeping in general audience apps and imposing disproportionate liability on small developers. A federal framework is urgently needed, one that ensures strong data protections without stifling innovation or forcing startups into defensive legal postures.

KEY POINTS

- Congress must pass a comprehensive federal privacy law that preempts state-level fragmentation and includes a clear path to compliance for small businesses.
- Any proposed legislation should avoid private rights of action that expose small developers to opportunistic lawsuits.
- A federal privacy law should prioritize flexible data minimization and strong security standards that can scale across industries and company sizes.



**Greg Haygood, CTO,
Southern DNA**

“The lack of a national privacy law just continues to have a wide range of effects. Our clients are operating nationally and are asking us, ‘Are we compliant?’ And it’s like, ‘Hopefully. Let’s go and try to figure it out.’ They often don’t have the money to tailor their website experience to always be compliant. That’s a big challenge for us.”

STANDARD ESSENTIAL PATENTS

Technical standards can enable interoperability across industries like healthcare, internet of things (IoT), and artificial intelligence (AI).

But for small businesses, licensing patents that cover the standard, known as standard essential patents or SEPs, is rarely straightforward. Ambiguous terms, litigation threats, and inconsistent global rules make fair competition difficult. In particular, SEP holders that violate their commitment to license on fair, reasonable, and non-discriminatory (FRAND) terms disproportionately harm small businesses. A level playing field requires reaffirming FRAND, and ensuring SEP systems work for everyone, not just the biggest players.

KEY POINTS

- Congress must reaffirm U.S. support for FRAND licensing principles that enable small business innovators to license SEPs.
- Any policy proposals should increase transparency in the SEP licensing process and ensure small businesses have access to baseline information.
- Policymakers must recognize that SEP abuse disproportionately harms small innovators and weakens U.S. global standards leadership.

“It’s worrisome when a company can be hit with a lawsuit downstream of something they licensed legally and in good faith. Especially when those predatory lawsuits only appear once the company is successful. Greater clarity and fairness in SEP licensing would help the U.S. avoid the chilling effects we’ve seen in the EU, where overly burdensome frameworks have led to a drastic reduction in investments.”



Stephen Forte, Managing
Partner, Fresco Capital



For small tech companies, the ability to grow, attract investment, and reach global markets depends on access to capital. But recent shifts in the mergers and acquisitions (M&A) landscape paired with changes to research and development (R&D) tax deductions, have made access to capital more challenging than ever. The rollback of annual R&D expensing under Section 174 has raised tax burdens just as many startups are trying to hire and scale. Meanwhile, skepticism toward M&A ignores its role as a key exit strategy and early funding source for small software businesses.

KEY POINTS

- Congress must restore full R&D expensing under Section 174 so small businesses can continue to invest in innovation and growth. (And they did – since our member meetings at GAEC: U.S., the Section 174 tax deduction was restored!)
- The Administration should recognize that mergers and acquisitions (M&A) are a vital path for small tech companies to scale and secure funding.
- Legislative proposals should support early-stage capital formation to keep the U.S. startup ecosystem globally competitive.



Jamie Wood, Commercialization and Scientific Officer, OxiWear

“The R&D tax issue is a huge one because that’s going to affect the runway of companies. They may not be able to employ the people they need to do the research and development. I’d like policymakers to define policy not just for the three or four biggest companies, but for the tens of thousands of small businesses operating in the U.S.”

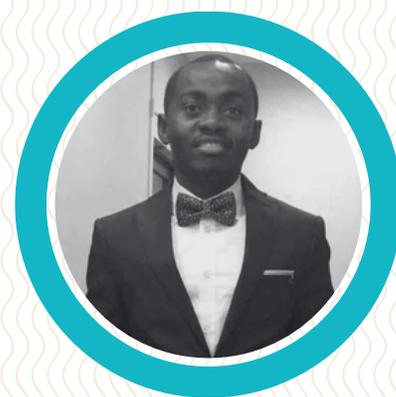


Today's wearable health devices do more than count steps, they monitor heart rhythms, detect falls, and help prevent serious medical events. But current IRS policy makes it difficult for individuals to use tax-advantaged accounts like FSAs and HSAs to cover the cost of multifunctional wearables, even when those devices meet FDA standards and offer clear health benefits. The WEAR IT Act would change that by allowing these devices to be reimbursed through HSAs and FSAs. For small digital health companies, this policy shift would expand market access, improve equity in health tech adoption, and unlock new opportunities for innovation in preventive care

KEY POINTS

- Congress should introduce and pass the WEAR IT Act to modernize reimbursement rules and reflect the real-world functionality of today's wearable devices.
- Policy should expand access to life-saving health tech for middle-income users who rely on FSAs and HSAs.
- Digital health proposals should support small health tech companies building innovative, multifunctional tools for prevention, monitoring, and care.

"It's something that's really important for the average American: being able to track your health using wearable devices, which aren't currently covered by HSA or FSA. The policymakers we spoke with showed real interest in WEAR IT and admitted they hadn't realized how beneficial it could be."



Atem Aminmentse, Advisor,
Pills2Me

FINAL TAKEAWAYS

Policy Education

On the first day of the conference, members get briefed by App Association policy experts on the issues they'll present to policymakers. This gives our members more than just a chance to understand policy; it gave them a seat at the table to shape it. Members came ready with sharp questions and lived experience, ready to make sense of overlapping laws, stalled reforms, and shifting agency guidance that impact how they hire, build, and grow. Privacy dominated discussion, but it was never just about compliance checklists or consent forms. It was about how disconnected policies across states, sectors, and agencies create real friction for innovators trying to bring new ideas to market.

"I haven't been in a classroom setting in a while, so it was great to learn from experts about what's really happening. I think being in a space where you can ask questions, get clarity, and hear directly from people who know the policy landscape, that's powerful." - Alex Cadet, Cadet Affect

Our members weren't workshopping hypotheticals; they were navigating the practical consequences of the R&D tax deduction disappearing, unpredictable AI regulation, and shifting federal priorities. Founders shared how regulatory limbo delays launches, complicates compliance, and shakes investor confidence.

Whether it was an AI-driven health platform facing liability questions or a startup responding to opaque SEP demands, their message was clear: complexity doesn't scale. Clarity does.



“I care a lot about Section 174 and how taxes are affecting our ability to execute important research and development projects. And it might sound boring, but it’s vital. One of the coolest things about briefing day is that I got clarity on something I don’t have a staff of lawyers to talk to about.” – McCaul Baggett, Rhythmic

Throughout briefing day, members offered solutions, not just critiques. They discussed paths to streamline compliance, make federal frameworks startup-accessible, and modernize definitions of risk and responsibility. By the end of the day, founders didn’t just leave better informed, they left aligned with a shared understanding of the tech policy landscape, deeper peer connections, and real momentum to carry into the days ahead on Capitol Hill.

“I originally connected with the App Association in 2019, and it was very quickly apparent that we need more technologists in government. There’s a huge gap in understanding with some of these emerging technologies, and we need that partnership. That’s what motivates me to keep coming back.” – Becca Williams, Menopausey



Advocacy Impact

Armed with insights and anecdotes from briefing day, members headed into 70 meetings across the U.S. Congress and executive branch. They translated legal uncertainty into tangible stakes: missed growth milestones, delayed funding rounds, and shrinking runways. These weren’t surface-level conversations, they were candid, grounded in real-world experience, and deeply valuable for policymakers.

“It’s really telling to understand how much effort it takes to move anything forward, especially for small businesses. We make up a large percentage of the business population but often get lost in the shuffle. That’s why showing up matters.” – Gene Reich, Traceless

From AI risk classifications and SEP abuse to Section 174 tax amortization and age verification mandates, our members made one thing clear: policies that overlook small businesses don’t just stifle innovation, they send it elsewhere. Some offices pushed back. Others leaned in. Many also requested to stay engaged, asking for follow-up examples, inviting members to participate in future roundtables, and expressing interest in collaborating to draft smarter, startup-ready legislation.

“I had an opportunity to get a seat at the table, talk with legislators, talk with policymakers, talk with people who can actually make change and speak on behalf of small businesses, who may not have the opportunity to have that conversation.” – Aime Mukendi Jr., Metric Mate

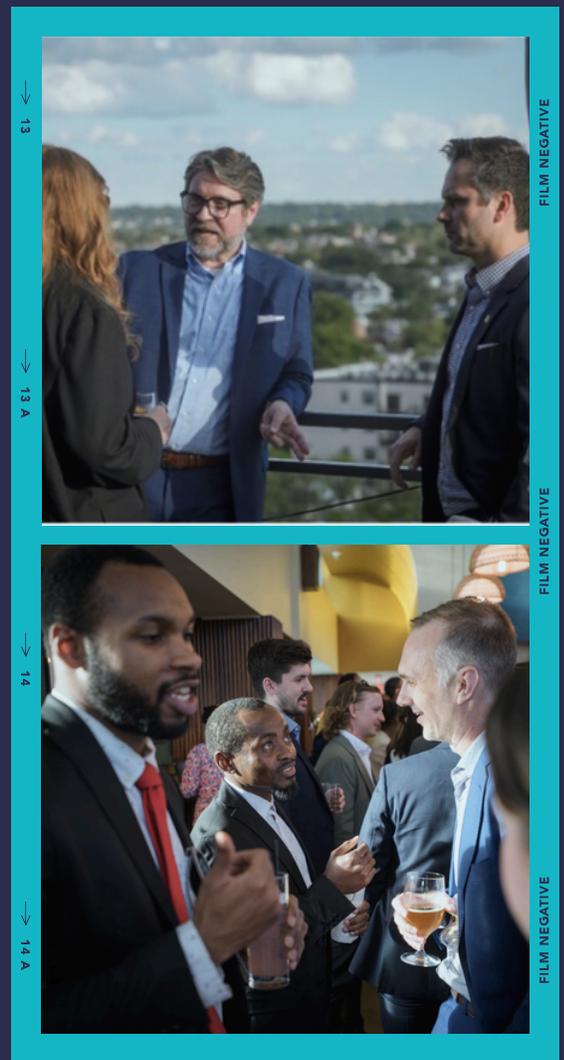
This was advocacy at its best. Our members didn’t just describe the problem - they offered to co-create the fix. The result? New relationships, actionable next steps, and growing recognition that if you want innovation to thrive, you need startup voices at the table from the start.



“We don’t have the lawyers or the lobbyists or that kind of influence to affect policy change. But if we all band together and learn how policymaking works, we can influence policy changes that help small businesses. There’s strength in numbers.” – Prema Roman, Rotational

Community Connection

While policy was the focus, community was the foundation. From welcome receptions to walking breaks between agency meetings, members connected not just as entrepreneurs, but as allies navigating a shared landscape. Whether building AI-driven healthcare tools in Atlanta, rethinking cybersecurity in Birmingham, or scaling accessible tech from Salt Lake City to New York, our members were united by a shared reality: today's rules weren't built for them, but together, they could help rewrite them.



“It’s an opportunity to network and to meet a lot of very smart, creative members who have never failed to excite me and inspire me in my own work when I go home.” – Sebastian Holst, Fool Me Once

Throughout the week, members swapped strategies, compared product pivots, and shared the creative workarounds that keep their companies moving. It felt less like a conference and more like a real-time startup policy lab where insights took center stage. Even first-time attendees quickly found their voice, supported by a group that believed deeply in the value of showing up.

“It is almost unheard of that I have an opportunity to nerd out and be in community with folks that do what I do, who understand it and are passionate about advocacy. It’s like a little mini reunion because we’re all over the country, and this is one of the times we get to be in the same place.” –

Qyana Stewart, Global Force Tech Consulting

What makes GAEC: U.S. different isn't just access to policymakers, it's standing shoulder to shoulder with other builders who get it. Founders who know what it means to create something small in a system built for giants, and who still show up to fight for better. That optimism is what carried the week and what members took home with them.

“Startup founders can be some of the loneliest out there because we’re always kind of working in silo. Events like this help us connect with people going through the same challenges, validate our wins, and feel like we’re not doing this alone.” – Parag Shah, Vēmos

The Global App Economy Conference: U.S. 2025 reinforced the growing influence of startups and small tech businesses in shaping national tech policy. As the U.S. regulatory landscape evolves, ensuring that independent developers have a direct line to Congress and federal agencies remains essential. This year's conference deepened our members' advocacy efforts on AI, data privacy, wearable health technology, R&D tax policy, the M&A landscape, age verification, and standard-essential patents, creating space for real engagement and tangible policy impact.



Our Global App Economy Conferences continue to grow alongside the digital economy, ensuring that innovation and competition stay central to policy conversations. By championing smart regulations, the App Association and our members continue to drive the future of the app economy.